



NATIONAL SECURITY PERSONNEL SYSTEM (NSPS) OVERVIEW BRIEFING

Flexibility - Accountability - Excellence



What NSPS Does Not Change

- Merit system principles
- Rules against prohibited personnel practices
- Whistleblower protection
- Veterans' preference
- Benefits (retirement, health, life, etc.)
- Antidiscrimination laws
- Fundamental due process
- Overseas entitlements
- Training
- Leave and work schedules
- Other personnel systems in law
- Lab demo organizations (until FY 08)
- Fair Labor Standards Act



NSPS Goals

Results

To attract and
retain top
talent

To promote
high
performance

Accountabil ity

Employee
Supervisor
Leadership

Flexibility

To respond to
mission changes

To realign,
reorganize, and
reshape the
workforce

To assign work
To set pay



HR Design Highlights

Classification-
simple, flexible

- Career Groups
- Pay Schedules
- Broad Pay Bands
- Simplified Classification guidance
- DoD occupations

Compensation-
performance
based, market
sensitive

- Rate range adjustments
- Performance payouts
- Local market supplements
- No change to incentive awards

Performance
Management-

- High-performing workforce
- Pay increases
- Includes conduct and professional demeanor
- Job Objectives linked to Mission



HR Design Highlights (continued)

Staffing—the right person,
in the right place, at the
right time

- DoD hiring authorities
- Ability to streamline the hiring process
- Paysetting flexibilities
- DoD qualification requirements
- Veterans' preference rights protected

Workforce Shaping—
streamlined, mission
responsive

- Less disruption
- More emphasis on performance
- Eliminates “Bump and retreat”
- Veterans' preference rights protected



Spirals

Spiral	Coverage
Spiral 1.1, Apr 2006	CHRA (CONUS, AK, HI) (2,400 employees)
Spiral 1.2, Oct 2006	MEDCOM, OSA, MDW, USASOC & TBD
Spiral 1.3, Jan 2007	AMC, OSA, OCONUS CHRA & TBD
Spiral 1.4, Oct 2007	To be determined
Spiral 2, FY07 (?)	All other Army activities except exempted Lab Demos
Spiral 3, FY08 (?)	Lab Demos



Conversion to NSPS

- Conversion will be an automated process
 - Employees converted “in place”
 - No change in job descriptions
 - Preview available in NSPS 101
- **No** loss in pay
- Based on the classification of the current position of record
- Existing PDs will require minor updates (from old pay plan & grade to new) BUT no changes to contents/format



Conversion Chart (extract)

Nonsupervisory Pay Schedules	Pay Band 1	Pay Band 2	Pay Band 3	Pay Band 4
YA – STND – Prof / Analytical	GS-5 to 8 GS-9 to 11*	GS-9 to 13	GS-14 to 15	N/A
YB – STND – Tech / Support	GS-1 to 6	GS-7 to 10	GS-11 to 12	N/A
YP – STND – SEEP PGM (Student)	GS-1 to 11	N/A	N/A	N/A
YD – E&S – Prof	GS-5 to 8 GS-9 to 11*	GS-9 to 13	GS-14 to 15	N/A
YE – E&S – Tech / Support	GS-1 to 6	GS-7 to 10	GS-11 to 12	GS-13

* Positions with a target grade above the current grade are converted to pay band 1

See Handbook for complete Conversion Table



Sample Conversion Chart: Supervisory Pay Schedules

Supervisory Pay Schedules	Pay Band 1	Pay Band 2	Pay Band 3
YC – STND Supvy / Mgr	GS-6 to 11	GS-12 to 14	GS-15
YF – E&S Supvy / Mgr	GS-6 to 11	GS-12 to 14	GS-15
YJ – MED Supvy / Mgr	GS-6 to 11	GS-12 to 14	GS-15
YN – I&P Supvy / Mgr	GS-6 to 11	GS-12 to 14	GS-15

See Handbook for complete Conversion Table



Within-Grade-Increase Buy-in

- Prorated amount at conversion
- One-time buy-in
- WGI buy-in calculator is available in NSPS 101 (part of the conversion tool)
- Funds will become part of performance payouts and other pay increases

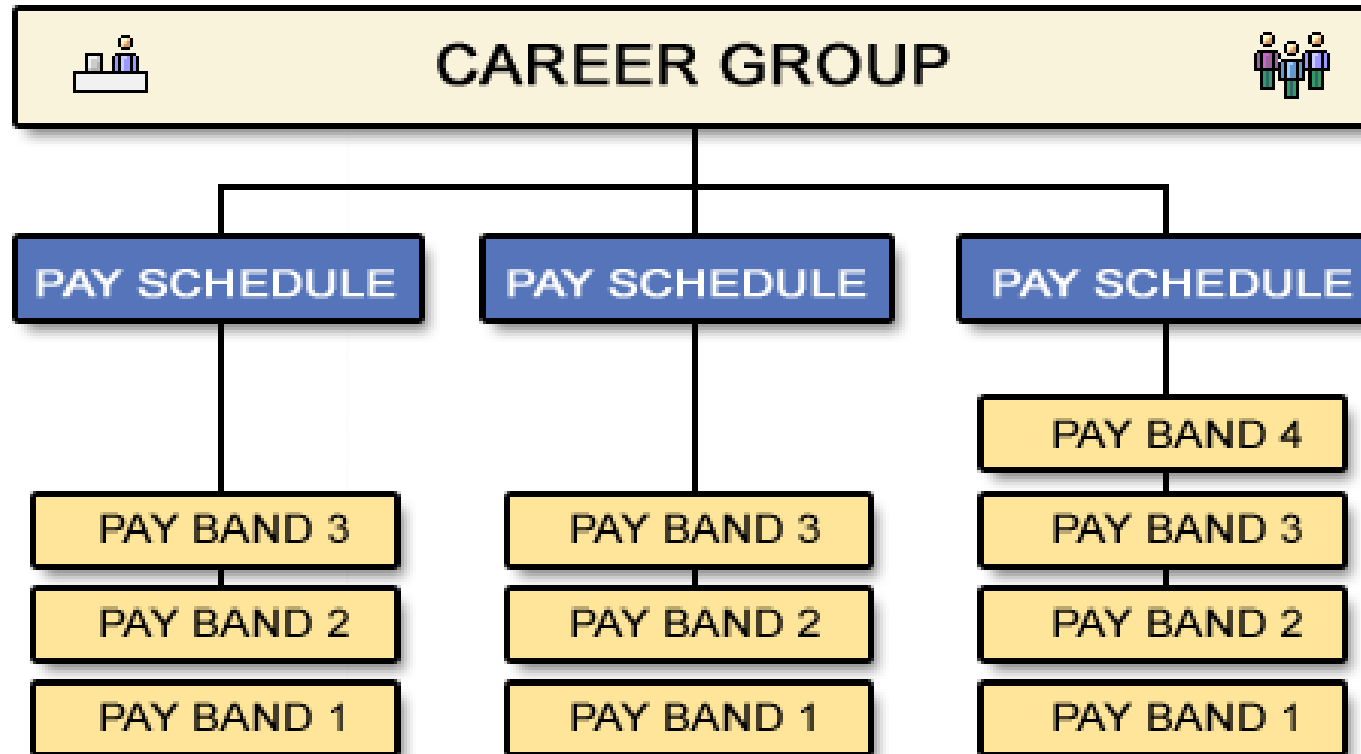


GS vs. NSPS Classification

GS	NSPS
Occupational Family	Career Group
Pay Plan	Pay Schedule
Title	Title
Grade	Pay Band
Occupational Series (#)	Occupational Code (#)
Over 400 OPM GS Classification Standards	15 Standards



NSPS Classification Structure



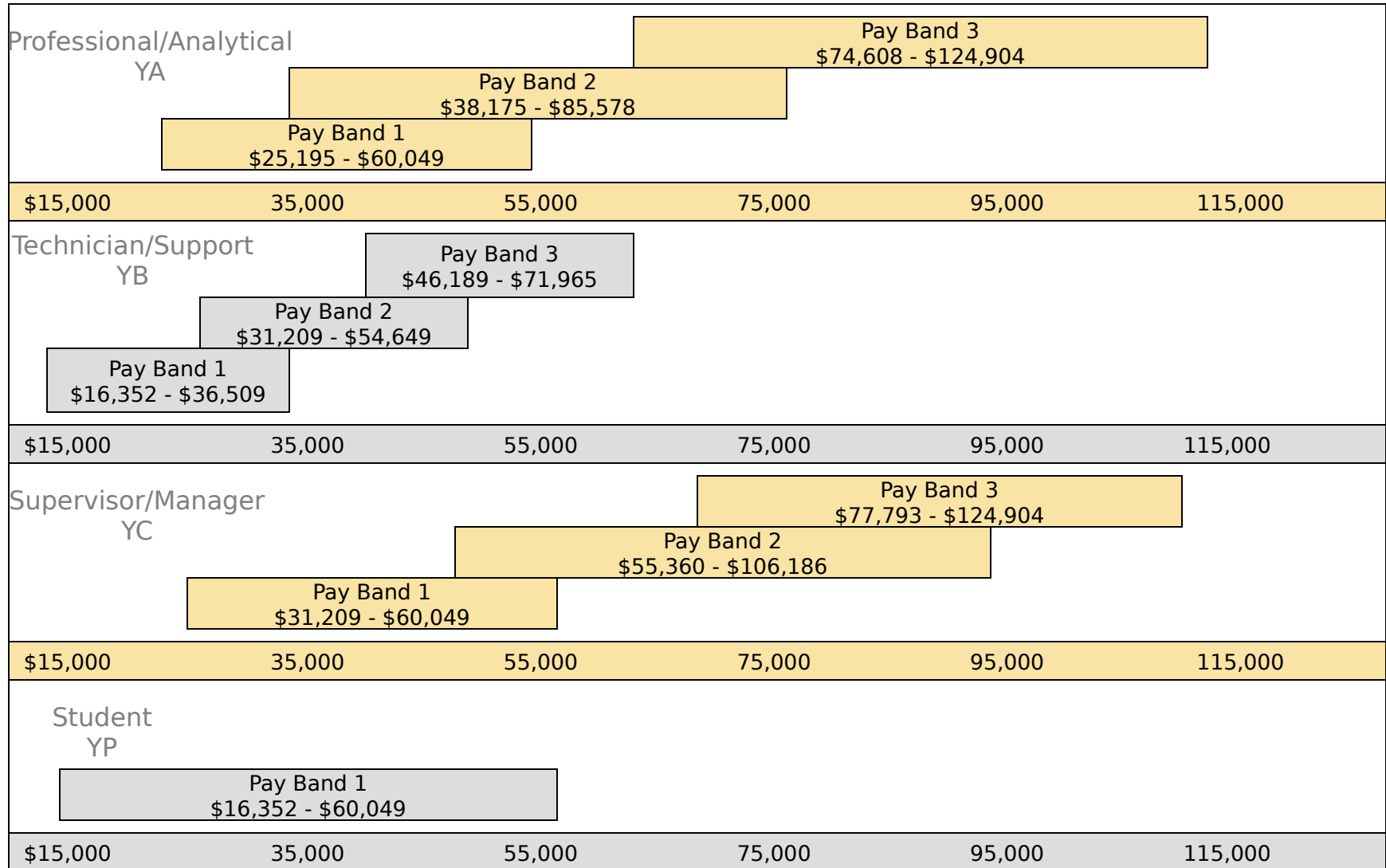


Career Groups and Pay Schedules

STANDARD CAREER GROUP <ul style="list-style-type: none">• Professional/Analytical (YA)• Tech/Support (YB)• Student Employment (YP)• Supervisor/Manager (YC) 71% of DoD workforce	INVESTIGATIVE & PROTECTIVE SERVICES CAREER GROUP <ul style="list-style-type: none">• Investigative (YK)• Fire Protection (YL)• Police/Guard (YM)• Supervisor/Manager (YN) 6% of DoD workforce
MEDICAL CAREER GROUP <ul style="list-style-type: none">• Physician/Dentist (YG)• Professional (YH)• Tech/Support (YI)• Supervisor/Manager (YJ) 5% of DoD workforce	ENGINEERING & SCIENTIFIC CAREER GROUP <ul style="list-style-type: none">• Professional (YD)• Tech/Support (YE)• Supervisor/Manager (YF) 18% of DoD workforce



Standard Career Group





Key Classification Differences

GS

- Focus on Position
- Classification drives pay
- Requires seasoned classification judgment

NSPS

- Focus on Person
- Performance drives pay
- Administrative decision based on what is:
 - Best for business
 - Most economic
 - Wisest use of taxpayer's dollars



Pay Band Determination

□ Pay schedules broken into pay bands

Example: Standard Group Career (Professional/Analytical)

1	2	3
Entry Level / Developmental Pay Range: \$25,195 - \$60,049	Full Performance Level Pay Range: \$38,175 - \$85,578	Subject Matter Expert Pay Range: \$74,608 - \$124,904

- **Broad pay ranges provide flexibility**
- **Management - YOU ARE IN CONTROL!**
 - **Responsibility for position and financial management**



Classification Appeals

- Appeals
 - Under NSPS, employees are entitled to appeal the classification of their positions (just as before)
 - Employees may appeal any classification decision relating to their own position:
 - Title
 - Occupational code
 - Pay Band
 - Supervisory status
 - Distinction is that managers have made the classification decision



Changing in Hiring and Employment: EXTERNAL RECRUITMENT

- Eliminates rule of three
- Allows DoD to create new qualification standards
- Established new appointment authorities
- Modifies probationary periods
- May consider applicants in the local commuting area before all others



Placement Programs Still in Effect

Positions filled in accordance with the methods prescribed in:

- Federal Regulation (5 CFR 330)
 - Reemployment Priority List
 - Positions Restricted to Preference Eligibles
 - Interagency Career Transition Assistance Plan for Displaced Employees
- DoD PPP Operations Manual
 - Priority Placement Program



Probationary Periods

- Longer probationary periods may be established by occupation
 - Critical to a performance-based system
- Two year probationary period established for certain excepted service positions
- One year with option for three years
 - For selected occupations
 - Determined by DoD
- Supervisors must still complete a 1-year probationary period



Changing in Hiring and Employment: INTERNAL RECRUITMENT

- Eliminates time-in-grade
- Establishes alternate forms of competition
- Changes / creates definitions for promotion, reassignment, reduction in band
- Changes time limits for temporary promotions – may be non-competitive up to 180 days
- Requires personnel actions to:
 - Change occupational code, pay schedule, pay band, pay pool, FLSA
 - Detail employees to another agency and/or Component
 - Temporarily reassign / detail employees to another pay system (GS)



Workforce Shaping

- Army intends to retain current RIF / VSIP / VERA approval guidance
- Increased flexibility to realign, reorganize, and shape the workforce for organizational-based reasons
- Consistent with performance-based system
- New or revised concepts and procedures
 - Competitive area
 - Displacement procedures
 - Competitive group
 - Transfer of function
 - Retention standing
 - Tenure



Compensation Overview

SECDEF Decisions (Outside Pay Pool)

- Rate-Range Adjustments (to base pay)
- Local-Market Supplement (LMS)

Performance-Based Pay (Inside Pay Pool)

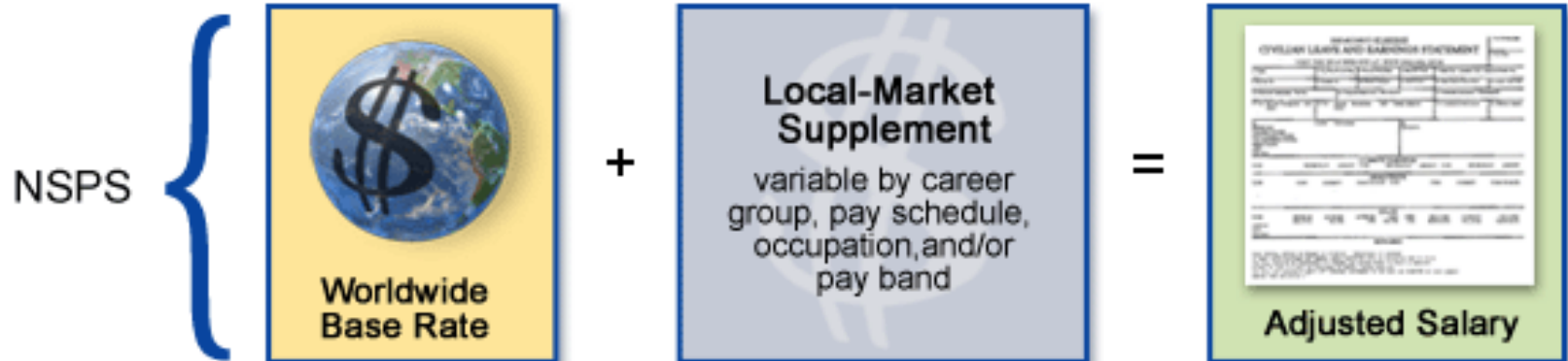
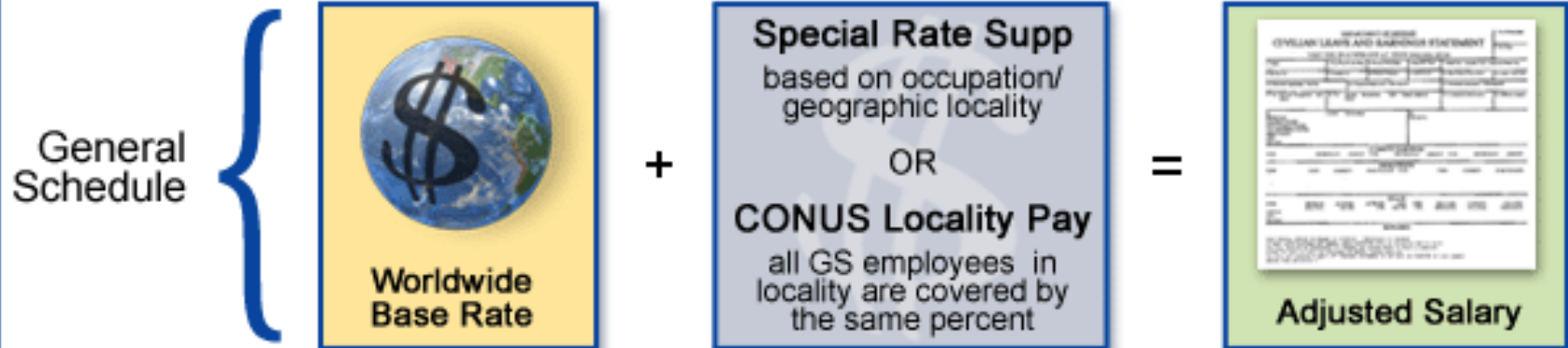
- WGs
 - QSI
 - Promotions
 - Annual Bonuses
 - Portion of General Pay Increase (GPI)
- Money historically spent

Incentive Awards (Outside Scope of NSPS)

- Special Act
- On-the-Spot
- Time Off



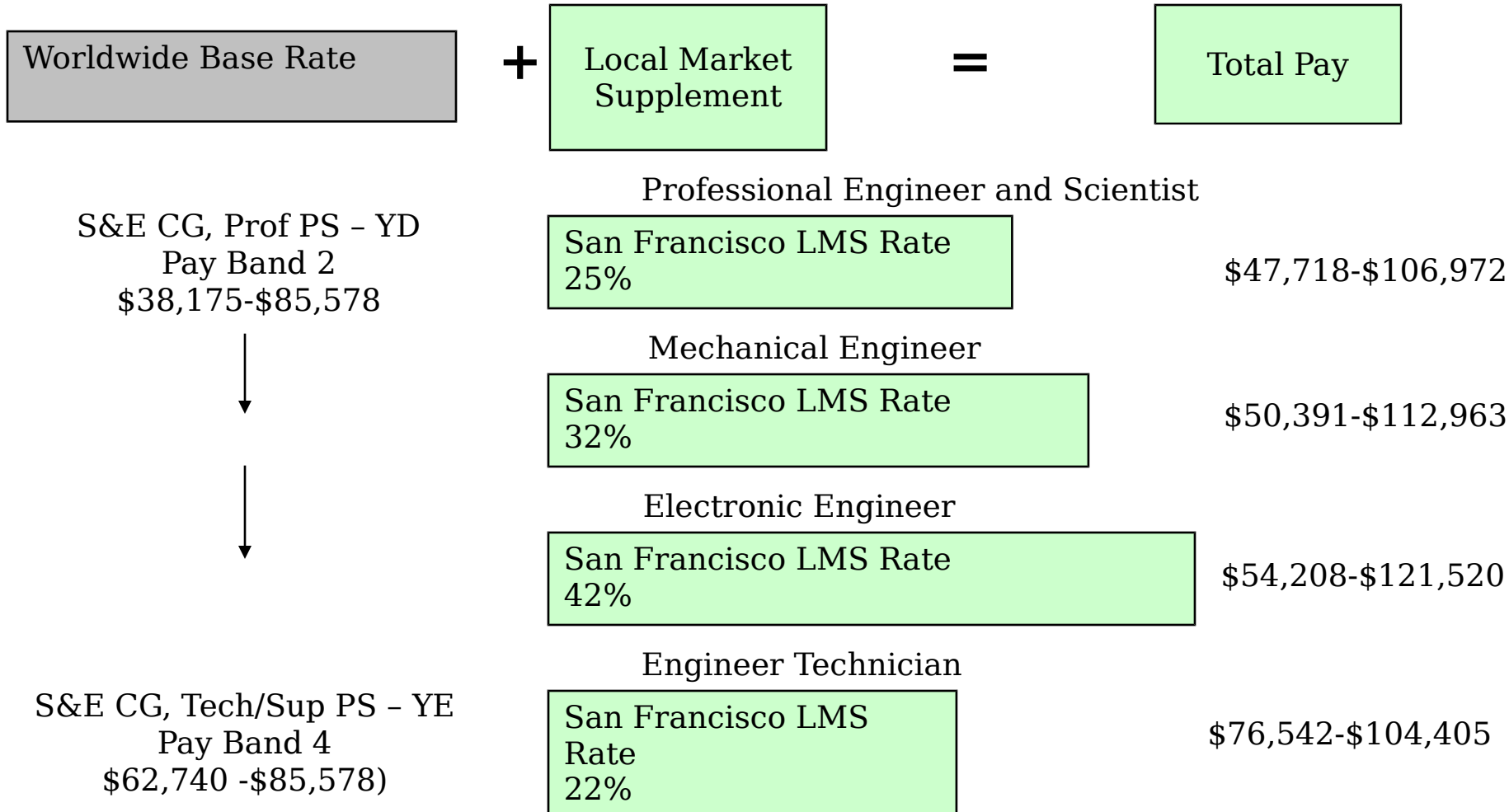
Compensation under NSPS





Local Market Supplement Example

Engineering and Scientific Career Group Example





Pay Setting

- Army will delegate pay setting approval authority to Commands / DRUs with supplemental guidance
- Pay setting determinations based on such factor as:
 - Level of work of the position
 - Labor market considerations (value and location of the job in the market)
 - Special requirements of a particular position
 - Level and relevancy of candidate's education and experience
 - Scarcity of qualified applicants
 - Program needs
 - Current salary of the candidate
 - Pay equity considerations



New Compensation Role

- Pay bands offer significant flexibility in setting and adjusting pay
- Optimum use of flexibility requires consideration of external pay alignment as well as internal
 - Major shift from past experience, which focused on internal grade alignment
 - Requires application of classification concepts and skills in different manner

Cultural Change



Performance Management: Old vs. New

Old (TAPES)

- Ratings based on performance objectives
- Many performance cycles
- Rating scale 1 (top) to 5 (bottom)
- Most employee ratings are level 1 (Army: 81% were level 1 in FY05)
- 120 day minimum rating period
- Senior rater approves ratings

New (NSPS)

- Ratings based on **job objectives**
- **One** cycle (1 Oct – 30 Sep)
- Rating scale 5 (top) to 1 (bottom)
- Most employee ratings are anticipated to be **level 3** (valued performer)
- **90 day** minimum rating period
- **Pay Pool Manager** approves ratings



NSPS Performance Management System

- Core Characteristics
 - Results-oriented, mission-focused
 - Clear and understandable (fair, credible, and transparent)
 - Direct link between pay and performance and mission accomplishment
 - Reflect meaningful distinctions in employee performance
 - Robust (capable of supporting pay decisions)
- Design Improvements
 - Job objectives -the “What”-are the primary focus
 - Manner of performance -the “How”-influence the objective rating
 - Simplified the design
 - Supervisors are rated on at least one supervisory objective



Performance Expectations

- A broader definition of performance
- Performance expectations are communicated to employees and may include:
 - Goals or objectives that set general or specific performance targets at the individual, team and organization level
 - Organizational, occupational or other work requirements such as standard operating procedures, operating instructions, manuals, internal rules and directives and/or other instructions that are generally applicable and available to the employee
 - Competencies an employee is expected to demonstrate on the job and/or contributions an employee is expected to make
- Performance expectations will be communicated to the employee prior to holding the employee accountable
- Expectations will be promptly adjusted as changes occur



Performance Payout

- Performance payout may be paid as a:
 - Base salary increase
 - Bonus
 - Combination of the two
- Considerations in deciding the distribution:
 - Position in pay band
 - Motivational effect
 - Salary and work in comparison with colleagues
 - Competitive market comparisons
 - Employees returning from overseas civilian service



Reconsiderations

Employees may challenge:

Performance rating

Employees may not challenge:

Performance payout

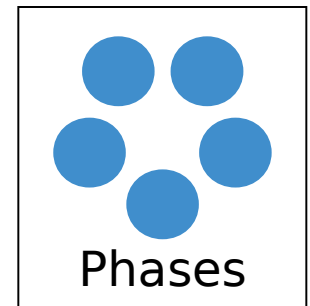
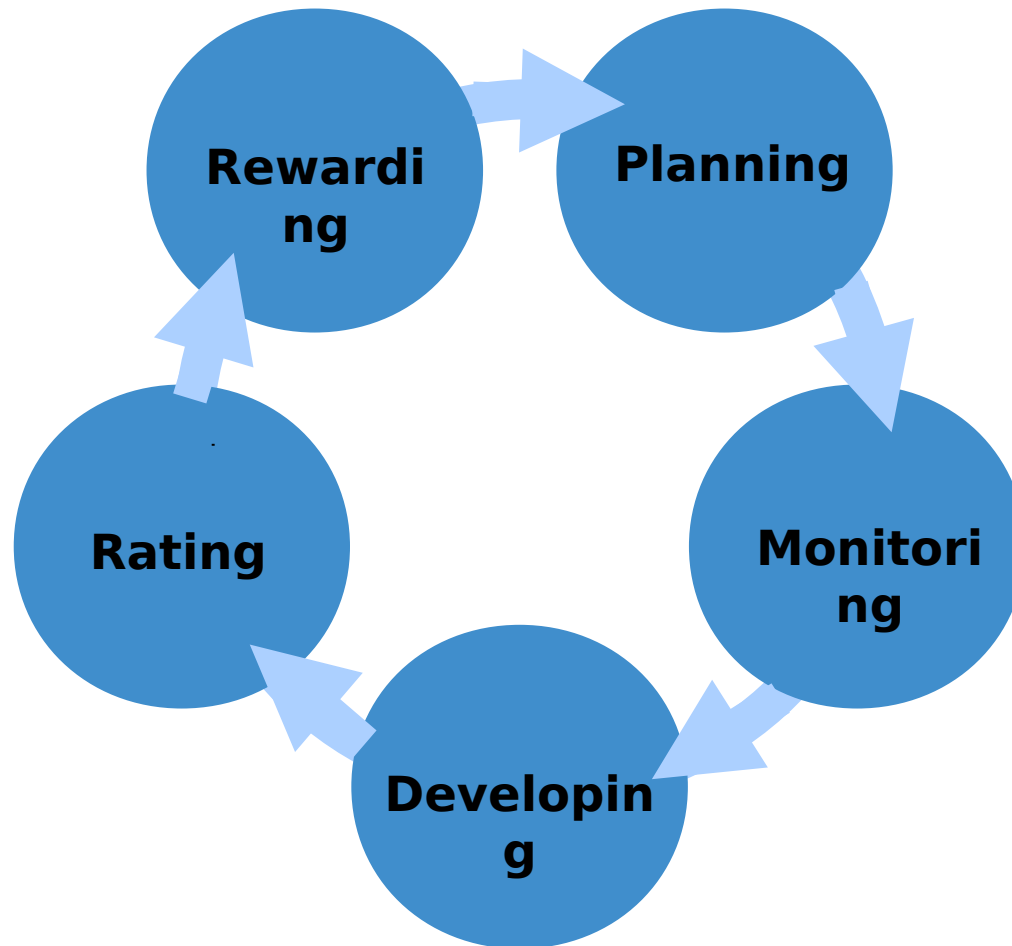
Number of shares

Value of shares

Distribution of payout



5-Phase Performance Management Cycle





Who's Involved?

Employee	Keeps track of accomplishments, provides information to rating official, assists in establishing job objectives.
Rating Official	Immediate supervisor. Establishes job objectives and performance expectations, monitors performance, rates employees, recommends rating, shares, and distribution to second level reviewer and pay pool panel.
Guest Rater	Another person for whom the employee has worked during the rating cycle, e.g., on detail, who provides input to the rating official on an employee's performance.
Second Level Reviewer	Manager above supervisor. Reviews and adjusts recommended ratings, shares, and distribution from rating official(s).
Pay Pool Panel	Comprised of managers who review and recommend final ratings, shares, and distributions ("reconciliation") to the pay pool manager.
Pay Pool Manager	Senior manager who makes final decisions on all ratings, shares, and distributions. Appoints pay pool panel members and makes certification decisions.
Performance Review Authority	Higher level review body that looks into employee requests for reconsideration.



Additional Resources

- NSPS website:
<http://www.cpms.osd.mil/nsps/>
- Army NSPS website:
<http://cpol.army.mil/library/general/nsps/>
- Army NSPS training website:
<http://www.chra.army.mil/NSPS-training/index.htm>
- Your Civilian Personnel Advisory Center